

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6491

BILL NUMBER: SB 303

NOTE PREPARED: Dec 15, 2011

BILL AMENDED:

SUBJECT: Dental Benefits.

FIRST AUTHOR: Sen. Becker

FIRST SPONSOR:

BILL STATUS: As Introduced

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: This bill prohibits dental insurers and health maintenance organizations from requiring dentists to accept certain payments. The bill specifies coordination of dental benefits requirements. It specifies requirements concerning health benefit payments to dentists who have not entered into payment agreements with health insurers or health maintenance organizations.

Effective Date: July 1, 2012.

Explanation of State Expenditures: Under the bill, insurance providers and health maintenance organizations that violate provisions of the bill regulating dental benefits would commit an unfair and deceptive act. To the extent instances of unfair and deceptive acts are discovered and reported to the Department of Insurance (DOI), this bill will increase workload of the DOI to investigate allegations and provide adjudicative proceedings to determine if an unfair or deceptive act has been committed.

Explanation of State Revenues: If this bill increases the number of unfair and deceptive acts discovered by the Department of Insurance, revenue to the General Fund will increase from civil penalties paid by violators. The penalty for engaging in an unfair and deceptive act is one or more of the following: (1) a civil penalty between \$25,000 and \$50,000 for each act or violation and (2) revocation of a person's license or certificate of authority if they knowingly engaged in an unfair or deceptive act. Actual increases in revenue are unknown.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Insurance.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Bill Brumbach, 232-9559.